

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>IN RE:</b>	§	
	§	
<b>ELITE BAYWOOD, L.P.</b>	§	<b>CASE NO. 10-31760</b>
	§	
<b>and</b>	§	
	§	<b>CASE NO. 10-31774</b>
<b>ARTHUR SQUARE APARTMENTS, L.P.</b>	§	
	§	<b>Jointly Administered Under</b>
<b>Debtors</b>	§	<b>CASE NO. 10-31760</b>

**FIRST NATIONAL BANK'S OBJECTION TO  
MOTION TO DISMISS FILED BY  
ARTHUR SQUARE APARTMENTS, L.P.**

**TO THE HONORABLE JUDGE OF SAID COURT:**

First National Bank ("Bank") files this its Objection to the Motion to Dismiss filed by Arthur Square Apartments, L.P., and would show the Court as follows:

1. Bank admits Paragraphs 1 through 4 of the Motion.
2. Bank denies Paragraph 5 of the Motion.
3. Bank has requested that the Debtor, Arthur Square Apartments, L.P., provide it with a final accounting on its use of cash collateral during the pendency of this Chapter 11 proceeding. Bank objects to dismissal of the case prior to Arthur Square's accounting for its use of the Bank's cash collateral.

WHEREFORE, PREMISES CONSIDERED, Bank requests that the case not be dismissed until such time as Arthur Square has provided a full accounting of its use of the Bank's cash collateral.

Respectfully submitted,

**CHERNOSKY, SMITH, RESSLING & SMITH, PLLC**

By: /S/ L. DAVID SMITH  
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**Attorneys for First National Bank**

**CERTIFICATE OF SERVICE**

I, L. David Smith, hereby certify that a true and correct copy of the foregoing has been served upon the parties listed below by first class mail, postage prepaid, on the 8<sup>th</sup> day of October, 2010:

**DEBTOR:**

Arthur Square Apartments, LP  
P.O. Box 927010  
San Diego, CA 92192  
*Via First Class Mail*

**DEBTOR'S COUNSEL:**

Mr. Edward L. Rothberg  
Ms. Annie E. Catmull  
Hoover Slovacek LLP  
5847 San Felipe, Suite 2200  
Houston, Texas 77057  
Telephone: (713) 977-8686  
*Via Electronic Notice*

**U.S. TRUSTEE:**

Diane G. Livingstone  
U. S. Trustee  
Bob Casey Federal Building  
515 Rusk, 3<sup>rd</sup> Floor, Suite 3516  
Houston, Texas 77002  
*Via Electronic Notice*

/s/ L. David Smith  
L. DAVID SMITH